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Why Sinoscepticism will Remake British Politics

LIAM STANLEY 

Abstract

Sinoscepticism is on the rise in British politics. Why is this? And what are the implications? This article shows that Sinoscepticism is not solely a result of the whims of MPs, but also stems from deep-rooted tensions surrounding Britain's position in global order. Specifically, the British state finds itself on the horns of a dilemma: accept the status quo of staying economically open to China, but face staunch criticism and reprisals both internationally and domestically; or become more hawkish in relations, but risk worsening Britain's imbalanced and underperforming economy. Considering the Conservative Party's longstanding commitment to both the 'special relationship' with the US and to business and finance, this predicament is likely to provoke the party. The dilemma is seemingly about relations with one country, but, like Euroscepticism, it has the potential to become a stand-in for debates over what sort of country the UK should be.

Keywords: Sinoscepticism, UK-China relations, British politics, Conservative Party, geoeconomics, global order

FOLLOWING THE BREXIT referendum and the UK's subsequent exit from the European Union, many Conservative MPs have moved to become vocal critics of the UK's relations with China. By the 2022 party leadership election, the two favourites, Liz Truss and Rishi Sunak, were compelled to demonstrate their hawkish credentials, each trying to outstrip the other. This is not an isolated incident. Under pressure from an increasingly organised anti-China presence in Westminster, the UK has recently planned for technology from the Chinese firm Huawei to be removed from the country's 5G public networks and placed sanctions on China for human rights abuses in Hong Kong. As journalist Stephen Bush has commented, 'Sinoscepticism is the dominant school of thought in the Tory party and, in many ways, at Westminster'.¹ The development of this Sinoscepticism, which we can define as a political position defined by opposition to the increasing power of China and its ruling Communist Party, prompts questions: why has this position become so prominent; how sustained will be; and what effects will it have?

Almost every single nation-state is currently grappling with strategic questions resulting from China's global power. However, the UK faces its own dilemmas. Since the New Labour years, the UK's approach to relations with China has been a mix of liberal internationalism and economic interest: a hope that free trade will boost the UK economy while democratising China. This approach reached its height with the so-called 'golden era' of UK-China relations under David Cameron's governments. Since Britain's economy is hindered by sluggish growth and warped by an oversized financial centre, maintaining cordial relations with China is generally in the interest of UK business, finance, and the Treasury.

This status quo is being challenged. There are now political and geopolitical forces that are pushing the UK away from closer ties with China. On the political front, domestic critics are increasingly scrutinising the UK's relationship with a steadily more authoritarian and powerful China. These critics—many of whom are connected to the Conservative Party—are now looking back to the golden era with incredulity given the human rights abuses and aggressive foreign policy of the Chinese state. On the geopolitical front, the rise of 'geoeconomic' competition and the potential for a new cold war between the US and China is

¹'Sunak's foreign policy reset overshadowed by espionage', *Financial Times*, 11 September 2023; <https://www.ft.com/content/c1e845a6-c71f-4e33-90cd-990c6c6b9f16>

shaping how a post-Brexit Britain finds its place in global order. The US is pressuring the UK to adopt a more hawkish approach towards China, while the UK itself lacks the capacity to become a fully-fledged participant in the new geoeconomic competition driven by the US and EU's desire to 'de-risk' from China.

The UK therefore finds itself on the horns of a Sinosceptic dilemma: closer together or further apart? Just like Euroscepticism was a symptom of a longstanding predicament regarding Britain's position in global order—how the UK positions itself between continental Europe and America—Sinoscepticism has now emerged as another manifestation of this dilemma.² And like Euroscepticism, this position is being driven by actors and networks connected to the Conservative Party. Indeed, there is good reason to believe that this dilemma is seen as especially acute by the Tories. While the party's eventual embrace of Brexit may suggest otherwise, it has traditionally been aligned with both business and the 'special relationship' with the US, positions that will become increasingly difficult to reconcile as the Sinosceptic dilemma intensifies. Given that these dilemmas for both British politics and the Conservative Party are unlikely to dissolve spontaneously, we should anticipate that Sinoscepticism will have a heightened role in the future of British politics.

It is important to make clear that the significance of Sinoscepticism is not limited to foreign policy or UK-China relations. Again, there is a similarity with Euroscepticism, which cannot be understood simply as a position on the EU given the meaning it accrued as, among other things, the defence of British (or English) parliamentary sovereignty and an anti-immigration project.³ In a similar way, the Sinoscepticism dilemma lies at the heart of some of the most important questions facing British political development. These include the UK's incorporation into the global economy, its capacity to decarbonise, and the role it will play in supporting the strong-

but-declining US-led global order. These questions can present themselves as technical, but also as fundamental dilemmas over what sort of country the UK should be: open or closed, economy or security first, cosmopolitan or not. How this dilemma is handled and resolved will, therefore, fundamentally shape British politics for decades to come.

The 'golden era'

The prospect of Sinoscepticism as an influential force in British politics would have been difficult to comprehend just a few years ago. The period between 2010–2016 is commonly referred to as the 'golden era' of UK-China relations owing to the pro-China stance of David Cameron's governments and, especially, then-chancellor, George Osborne. However, this 'golden era' was as an extension of the New Labour approach to China rather than a departure. When New Labour assumed power in 1997, UK-China relations were generally positive owing to the successful Hong Kong handover and increasingly intertwined economic ties. Consequently, within a world characterised by seemingly perpetual economic growth and the stability of US unipolarity, New Labour was able to embrace its liberal internationalist principles: facilitating business opportunities for UK companies in China while advocating for 'positive' social and political transformation.⁴

Liberal internationalism is a multifaceted ideology, but one of its core aspects is the belief in a virtuous cycle: that development of human rights and liberal democracy leads to economic prosperity, and in turn, economic prosperity fosters human rights and liberal democracy.⁵ By embracing capital mobility and adhering to a rules-based global order, this virtuous cycle can—and will, according to many adherents—propel a country towards prosperity and freedom. This ideology envisions everyone benefitting and so serves as

⁴S. Breslin, 'Beyond diplomacy? UK relations with China since 1997', *British Journal of Politics and International Relations*, vol. 6, no. 3, 2004, pp. 409–25.

⁵See, for example, G. J. Ikenberry, 'The end of liberal international order?', *International Affairs*, vol. 94, no. 1, 2018, pp. 7–23; A. Cooley and D. Nexon, *Exit from Hegemony: The Unraveling of the American Global Order*, Oxford, Oxford University Press, 2020.

²A. Gamble, *Between Europe and America: The Future of British Politics*, Basingstoke, Palgrave Macmillan, 2003.

³L. Stanley, *Britain Alone: How a Decade of Conflict Remade the Nation*, Manchester, Manchester University Press, 2022.

justification for increased economic interdependence.

The Cameron-Osborne 'golden era' further advanced this liberal internationalism. An anecdote from Cameron exemplifies this approach: during a speech at Peking University in 2010, he was asked a question from the audience about the Chinese Communist Party's (CCP) response to growing pluralism. As Cameron recounted, the room reacted with a mix of admiration and shock to this question, prompting him to query the sustainability of the current system. He concluded that, in its present state, the system may not endure.⁶ A test of this observation came when Cameron, presumably aware of China's position on Tibet and the potential repercussions, agreed to meet the Dalai Lama in 2012. In response, China suspended diplomatic relations for eighteen months, with the threat of economic coercion looming over the government during that period.⁷ There was no such repeat.

One distinctive feature of the golden era was to serve this liberal internationalism with an explicitly economic nationalist twist. *The Economist* went as far to name the UK's approach at the time as 'The Osborne Doctrine'.⁸ In short, it meant gambling on linking Britain to the Chinese economy, while turning a blind eye to the domestic and international authoritarianism of the Chinese state. In an accompanying interview, Osborne was questioned on whether his 'pragmatic' and 'mercantilist' approach to attracting Chinese investment was compatible with promoting liberal democracy and human rights. He responded by emphasising the economic and financial nature of the dialogue and briefly mentioned the projection of British values.⁹

⁶'A ban on Huawei further worsens Britain's relations with China', *The Economist*, 11 July 2020; <https://www.economist.com/britain/2020/07/11/a-ban-on-huawei-further-worsens-britains-relations-with-china>

⁷B. Zhang, 'Rethinking China's "economic coercion": the case of the UK leaders' meeting with the Dalai Lama in 2012', *British Journal of Politics and International Relations*, vol. 25, no. 4, 2023, pp. 723–39.

⁸Bagehot, 'The Osborne Doctrine', *The Economist*, 26 September 2015; <https://www.economist.com/britain/2015/09/26/the-osborne-doctrine>

⁹'A ban on Huawei', *The Economist*, 11 July 2020.

One driver behind this 'mercantilist' push was the coalition government's austerity programme. This policy of 'fiscal consolidation' represented classic Tory statecraft.¹⁰ In the aftermath of the 2008 financial crisis, Cameron and Osborne recognised that the rising fiscal deficit was a once-in-a-lifetime opportunity to strip the Labour Party of its hard-won reputation for economic credibility. But promising to cut public spending drastically comes with significant risks, including damaging economic growth and thus the prospects for re-election. Under these conditions, Chinese investment seemed especially favourable, with the potential to stimulate growth, particularly if it was channelled towards infrastructure projects that aimed to rebalance the British economy, thereby supporting Osborne's Northern Powerhouse initiative. The £800 million Chinese investment in Manchester Airport City provided Osborne with an off-the-cuff example that, for him, highlighted the numerous advantages associated with the golden era (and was especially favourable for Osborne given its proximity to his constituency in Chester).¹¹

The diplomatic high point occurred during Xi Jinping's official visit in 2015 when a 'global comprehensive strategic partnership' was announced. This partnership included a substantial £6 billion investment in the Hinkley Point nuclear power station as part of an overall agreement amounting to £30 billion. During this period, various Chinese companies (including state-owned enterprises) invested £80 billion in UK assets, including in Weetabix, Pizza Express, MG Rover and the Odeon cinema chain. The Chinese-led proportion of foreign mergers and acquisitions in the UK increased from around 10 per cent in 2010 to around 25 per cent in 2015.¹² Meanwhile, Osborne aimed to strengthen the City of London by seizing the opportunity to be at the forefront of renminbi (RMB) internationalisation.

¹⁰Stanley, *Britain Alone*.

¹¹Bagehot, 'An interview with George Osborne', *The Economist*, 15 September 2015; <https://www.economist.com/bagehots-notebook/2015/09/24/an-interview-with-george-osborne>

¹²'Tory hawks press button on nuclear power battle with China', *Financial Times*, 20 July 2020; <https://www.ft.com/content/58f7a0bf-da3b-4e9f-a1a1-2c9789904a1b>

The City's extensive network, including offices in Shanghai and Beijing, played a pivotal role in this pursuit.¹³

All the while, the US foreign policy elite was consolidating its hawkish consensus on China and observing the UK-China 'golden era' with confusion and concern.¹⁴ The strained nature of transatlantic relations became particularly pronounced when the UK became a member of the Asian Infrastructure Investment Bank (AIIB) under Chinese leadership. The US privately expressed its discontent over not being consulted regarding this decision made by its closest ally, which effectively involved aligning with a global ordering mechanism of a rival.¹⁵

While the US expressed concern, there was a notable lack of scrutiny from within the UK regarding Chinese investment, especially regarding security or geopolitical implications. During this period, when China invested in the UK by purchasing important companies, the concerns raised focussed on declinist concerns over the prospect of British assets being sold to foreign owners, rather than any potential security implications.¹⁶ *The Economist* article that coined the Osborne Doctrine concluded on a prescient point: that

this shift [to China] is so little discussed in Britain is remarkable ... It could transform the country's role in the world ... Where are the parliamentary wrangles over China? The prominent sinologists in Britain's public life? The headlines about the intrusions on British sovereignty by the economic giant to which Britain is, for better or worse, tethering itself?

¹³J. Green, 'The offshore city, Chinese finance, and British capitalism: geo-economic rebalancing under the coalition government', *British Journal of Politics and International Relations*, vol. 20, no. 2, 2017, pp. 285–302 at p. 293.

¹⁴D. M. McCourt, 'Framing China's rise in the United States, Australia and the United Kingdom', *International Affairs*, vol. 97, no. 3, 2021, pp. 643–65.

¹⁵S. Brown, 'Free trade, yes; ideology, not so much: the UK's shifting China policy 2010–16', *British Journal of Chinese Studies*, vol. 8, no. 1, 2018, pp. 92–126 at p. 107.

¹⁶S. Breslin and P. Burnham, 'International order transition and the UK's tilt to the "Indo-Pacific"', *The Pacific Review*, vol. 36, no. 2, 2023, pp. 406–32 at p. 411.

Less than a year after *The Economist* voiced its concerns, the backlash started.

The backlash

One of Theresa May's first major decisions as prime minister was to delay the Hinkley Point nuclear power deal with China. Although May eventually gave her blessing to the deal, the delay damaged relations with China. Relations declined further two years later when May refused to endorse formally China's Belt and Road Initiative (BRI). Her powerful advisor, Nick Timothy, was a noted Sinosceptic, while others speculated that May's Home Office-honed instincts seemed to prioritise security over economics.¹⁷ Meanwhile, her chancellor, Philip Hammond, was selling the UK as a partner for the BRI and signing off on Huawei's involvement in the UK's 5G data network.¹⁸ Boris Johnson, who took over from May in 2019, initially seemed to swing back the other way as a known Sinophile. Just before taking over as prime minister, he told a Chinese TV station that his government would be 'very pro-China'.¹⁹ In 2022, Johnson looked to restart the annual UK-China Joint Economic and Trade Committee for the first time since 2018, while his chancellor, Rishi Sunak, looked to resume the UK-China Economic and Financial Dialogue.²⁰

It was the Covid-19 pandemic in 2020 that kickstarted the Sinosceptic backlash proper. Owing to the origins of the virus and theories of potential cover-ups, individuals with concerns about China's authoritarian regime saw this as an opportune moment to argue that the CCP posed a threat to democratic societies. During this time, the attitudes of the British

¹⁷'Hinkley reveals May's methods', *Financial Times*, 1 August 2016 <https://www.ft.com/content/256198d2-571a-11e6-9f70-badea1b336d4>

¹⁸'Hammond to seek UK deals in China's Belt and Road Initiative', *Financial Times*, 24 April 2019; <https://www.ft.com/content/9f054218-66af-11e9-a79d-04f350474d62>

¹⁹Bagehot, 'The rise of isolationism in the Conservative Party', *The Economist*, 7 May 2020; <https://www.economist.com/britain/2020/05/07/the-rise-of-isolationism-in-the-conservative-party>

²⁰'Boris Johnson seeks to forge closer economic ties with China', *Financial Times*, 11 February 2022; <https://www.ft.com/content/321ffeaf-58b7-4ed5-a367-4d175edbab8a>

public, Parliament and media towards China noticeably deteriorated, coinciding with an increase in hate crimes targeting individuals of Chinese descent.²¹ The pandemic prompted the formation of two influential Sinosceptic groups: the Conservative-led China Research Group (CRG) and the cross-party (and international) Inter-Parliamentary Alliance on China (IPAC). Although the CRG was evidently named to mimic the famous and influential European Research Group, the China equivalent was home to MPs who would otherwise find themselves in the centrist wing of the party, such as its founder, Tom Tugendhat. IPAC, meanwhile, is closely associated with Parliament's foremost Sinosceptic, the former Tory leader Iain Duncan Smith.

Although these groups appeared to emerge suddenly, the pressure leading to their formation had been building gradually. Notable figures within the Conservative Party, including Malcolm Rifkind and Duncan Smith, had been scrutinising China for some time. Think tanks such as the Henry Jackson Society, which promotes neoconservative ideology, were beginning to influence discussions within Westminster.²² A concerted Sinosceptic campaign driven by Tory MPs gained momentum, targeting various issues in succession, including Huawei, nuclear power and concerns over human rights violations in Xinjiang and Hong Kong. Two key moments during this period stood out as significant turning points.

The first was the Huawei deal. The Chinese state-backed Huawei had been contracted to provide telecommunications infrastructure to the UK since 2003. Although some concerns were raised in 2012, it was never considered an especially serious security issue in the UK.²³ 2020 was a different world. Contention over

Huawei's involvement in the UK's 5G infrastructure was the first time since coming to power in 2010 that the Conservative government had faced sustained pressure on its pro-China position from both the US and its own parliamentary party. The US wanted the UK to follow its lead in banning Huawei and President Trump reportedly 'admonished' Johnson with 'apoplectic' fury during a phone call on the matter.²⁴ Meanwhile, when the government put its proposal to give Huawei only a limited role in 5G infrastructure, Duncan Smith was central to a rebellion of thirty-eight Conservative MPs. Three months later, in July 2020, the UK government promised to remove all Huawei equipment from 5G networks by the end of 2027. The Huawei climbdown showed which way the wind was blowing. Introduced in May 2021, the National Security and Investment Act provides mechanisms for the state to prevent other states such as China from buying sensitive UK assets.

Hong Kong provides the second key moment. In 2020, China introduced the new security law in Hong Kong, thereby providing Beijing with renewed powers to suppress protests and a right to extradite individuals to the mainland. The UK declared this a breach of the Sino-British Joint Declaration signed in 1984 during the Hong Kong handover. In response, the UK gave special rights to those Hong Kong residents holding British National Overseas passports, thereby opening a path to British citizenship for 3 million residents. The UK also suspended its extradition treaty with China and announced several minor sanctions. These developments further reinforced the perception that President Xi Jinping was resolved in pursuing an authoritarian agenda in Hong Kong. Hong Kong has a special place in the British foreign policy imagination: as a formerly-British capitalist entrepot, it has long served British interests well. Alongside Singapore, it has also served as a neoliberal blueprint for some of the more libertarian inclined Tories.²⁵

²¹T. Summers, et al., 'Worsening British views of China in 2020: evidence from public opinion, Parliament, and the media', *Asia Europe Journal*, vol. 20, no. 2, 2022, pp. 173–94, S. Schumann and Y. Moore, 'The Covid-19 outbreak as a trigger event for Sinophobic hate crimes in the United Kingdom', *British Journal of Criminology*, vol. 63, no. 2, 2022, pp. 367–83.

²²T. Summers, 'The UK's China policy under U.S.–China strategic rivalry', *China Quarterly of International Strategic Studies*, vol. 5, no. 2, 2019, pp. 177–96.

²³'Cameron reaffirms support for Huawei', *Financial Times*, 19 October 2012; <https://www.ft.com/content/ad81935a-19ea-11e2-a179-00144feabd0>

²⁴'Boris Johnson tries to find path through US-China cold war', *Financial Times*, 14 July 2020; <https://www.ft.com/content/dcac04b9-aa51-43b4-b18c-543c38b24f92>

²⁵Q. Slobodian, *Crack-up Capitalism*, London, Allen Lane, 2023.

By the time of the Conservative Party leadership contest in 2022, Sinoscepticism was a clear constraint on the party. The two frontrunners, then-chancellor Rishi Sunak and then-foreign secretary Liz Truss battled it out to see who could be more hawkish on China. Sunak argued that China is a ‘threat’, while Truss reminded Sunak that he was looking to restart the aforementioned UK-China Economic and Financial Dialogue. Sunak hit back by promising to ban all thirty branches of the Confucius Institute in the UK on the basis that it was a propaganda tool for the CCP. And on it went. Truss won that contest, of course, only to be replaced by Sunak within weeks.

As prime minister, Sunak’s instincts lean toward the liberal internationalism of old. In late 2022, he tried to balance the different imperatives: yes, the ‘golden era’ is over, he argued, but we must ‘engage with China’. But he committed the new Tory sin of refusing to call China a threat, thereby fuelling the sceptics’ fire.²⁶ Then-foreign secretary, James Cleverley, made similar moves in spring 2023 when he emphasised in his Mansion House speech that he was pressing Beijing over Hong Kong, Taiwan and Xinjiang.²⁷ Several months later, Cleverley made his first official visit to China and then in October 2023, just as relations were on the up, came the revelation that two men with connections to Westminster had been arrested on suspicion of spying for China. And so begins another cycle of Sinoscepticism.

The old golden era approach is dying a long death, however. In the Integrated Review of UK Security in 2021, China was discussed as an ‘epoch-defining challenge’, rather than a threat, much to the annoyance of the Sinosceptics. But it was reported that the Treasury was pushing for more positive language than this and was only stopped ‘at the last minute’ by

the Foreign Office.²⁸ And amidst this conflict and muddle, the UK and China continue to transact across trade and investment, thereby remaining—in the grand scheme of things—closely tied. Indeed, the latest 2023 figures show that China is the UK’s fourth largest trading partner.²⁹ For a stagnant, post-Brexit economy, these relations cannot be taken for granted.

The crisis of liberal internationalism

While tempting to tell the story of this Sinosceptic backlash through the impulses of Conservative MPs, it is important to situate this development in the wider context of global reordering. It is not just the Conservative Party that has transformed since 2010. What we could term ‘the crisis of liberal internationalism’ has in the same period transformed the context in which the UK engages with China.

As noted above, liberal internationalism was key to how the UK has managed the tensions in its China policy. By further integrating China into the global economy (and, of course, making the most of the economic payoff for the UK in the process), the UK hoped—hopelessly or otherwise—that China would improve its human rights record and inch towards democracy. This approach was accelerated under austerity, both in terms of looking for economic opportunity and turning a blind eye. However, this kind of liberal internationalism is increasingly discredited. For our purposes, this crisis of liberal internationalism has three interlinked key features.

The first feature is a sever in the supposedly universal link between political and economic liberalism.³⁰ The relative decline of US power has left it and its associated mechanisms of international liberal ordering less effective in

²⁶ ‘Rishi Sunak signals determination for UK to engage with China’, *Financial Times*, 28 November 2022; <https://www.ft.com/content/97fe772b-21fa-4675-b54b-8c5d345a7c05>

²⁷ ‘UK presses Beijing over Hong Kong, Taiwan and Xinjiang’, *Financial Times*, 5 May 2023; <https://www.ft.com/content/bee4909e-b16b-48e7-bc26-b3e428bf8cd1>

²⁸ ‘Challenging China: Brexit Britain experiments with battleship diplomacy’, *Financial Times*, 19 May 2021; <https://www.ft.com/content/3de612af-20cf-49c2-b8f3-7159dd0c7fae>

²⁹ Department for Business and Trade, ‘Trade and Investment Factsheets: China’, 21 December 2023; https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1185492/china-trade-and-investment-factsheet-2023-09-21.pdf

³⁰ Cooley and Nexon, *Exit from Hegemony*.

promoting (and enforcing) the standards of political liberalism, especially but not limited to, human rights. At the height of US post-cold war power—around 1992 to 2004—every other state either had to play its liberal internationalist game—free trade, human rights, respect sovereignty—or face pressure, stigma, or violence until it changed. And most played by the rules. There are now, however, emerging exit options for states which wish to attract investment and trade freely in the global economy, but do not wish to accept the US-led insistence that such an orientation must be packaged with domestic reforms aimed at liberalising their politics. That these exit options often involve China in some regard—ranging from the Belt and Road Initiative to the Shanghai Cooperation Organisation—is not a coincidence. For one, it means the old liberal internationalist idea that free trade will inevitably lead to democracy is all but discredited—and, along with it, a central principle of the golden era.

The second feature is the rise of ‘geoeconomics’. Although the term can be used in different ways, it has recently been developed by political economists to refer to the way that the economic interdependence fostered by globalisation creates new opportunities for states to wield power in the international system.³¹ On the one hand, this interdependence can be ‘weaponised’ to one’s advantage, as, for example, the US capacity to impose sanctions via its control of the monetary and financial system or Russia’s power over European energy security.³² On the other hand, states themselves have entered into this situation as large-scale investors through sovereign wealth funds and state-owned (or state-led) companies.³³ This new geoeconomics sets the scene for the supposed ‘return’ of industrial strategy in the context of the green transition, most notably the Bidenomics revolution in the US and the new state aid regime in the EU. Both moves

are justified as ‘de-risking’ the exposure of their respective economies to China.

This new geoeconomics has two major implications for the UK. The first is that the UK cannot properly compete in this new game of industrial strategy. The lack of capacity and resources to become a renewed industrial superpower, coupled with a relatively stagnant and finance-dependent economy, means the UK will find it far more difficult to ‘decouple’ or ‘de-risk’ from China. The second is that the new geoeconomics blurs economic and security imperatives. It has become increasingly clear that Chinese state-led investment, rather than just seeking passive portfolio investment for long-term returns, also aims at acquiring whole firms or majority stakes in strategically-relevant companies that will enhance Chinese development (and possibly security).³⁴ Consequently, the old liberal internationalist idea that global economic integration—including increased ties with China—is a win-win for all involved, is no longer as sure as it once was. This is very much recognised by Sinosceptics, who discuss Chinese investment as not simply a security issue (for example, espionage via telecommunications infrastructure), but also a geoeconomic issue of competition. As Tom Tugendhat has commented: ‘In a downturn, the difference between state-backed credit and the buying power of normal commercial investors will become starker, further strengthening the hand of state-owned enterprises’.³⁵

The third feature is the prospect of a renewed cold war between the US and China. While the first cold war was in effect a conflict between two security orders with very little in the way of economic relations between the two major powers, the US-China rivalry is emerging in a highly interdependent world economy. So, the politics has changed: less so about security alliances and arms races, more about gaining centrality in global networks of infrastructure, digital and finance in order to shape

³¹M. Babić, ‘State capital in a geoeconomic world: mapping state-led foreign investment in the global political economy’, *Review of International Political Economy*, vol. 30, no. 1, 2023, pp. 201–28.

³²H. Farrell and A. L. Newman, ‘Weaponized interdependence: how global economic networks shape state coercion’, *International Security*, vol. 44, no. 1, 2019, pp. 42–79.

³³Babić, ‘State capital in a geoeconomic world’.

³⁴M. Babić and A. Dixon, ‘Is the China effect real? Ideational change and the political contestation of Chinese state-led investment in Europe’, *Chinese Journal of International Politics*, vol. 15, no. 2, 2022, pp. 111–39.

³⁵US-China relations: from “golden era” to the deep freeze’, *Financial Times*, 13 July 2020; <https://www.ft.com/content/804175d0-8b47-4427-9853-2aded76f48e4>

them around their respective interests.³⁶ From the US side, this escalating rivalry is justified via a relatively new consensus in the foreign policy world that China is a threat that needs to be confronted.³⁷ This, in part, explains the Huawei debacle. The UK has never really cared much about the source of foreign investment, whereas the US has long been more hawkish.³⁸ But when the US president shouts down the phone to change policy, as Trump did over Huawei, the UK listens.

Yet, it is far from clear what role the UK will play in this second cold war. As the transatlantic bridge to Europe with a post-imperial reach to the Third World, the UK was indispensable in the original cold war. However, with the 'Indo-Pacific pivot' it is less clear what the UK can offer. It can share intelligence through Five Eyes (Anglosphere intelligence alliance comprising Australia, Canada, New Zealand, the UK, and the US) and talk up 'values', but it lacks the military capabilities or defence spending to be a truly significant player in the Indo-Pacific.³⁹ This is reflected in the AUKUS deal, which is not an alliance or a policy coordination platform, but instead a kind of 'technology accelerator' for nuclear-powered submarines, AI and other technologies.⁴⁰ The UK's role in this new geopolitical conflict doesn't seem all that clearer.

Conclusion

This article started by posing several questions: why has Sinoscepticism become so prominent? How sustained will be? And what effects will it have? It has argued that it has become prominent because of the interaction between two interlinked processes: the rise and fall of the UK's golden era of relations with China; and the shifting politics of global order, including the crisis of liberal internationalism. This presents the UK with a dilemma. The UK's China

policy has long been a balance between maintaining its economic interests in free trade, while placating the US. As both domestic critics and the US have become more hawkish alongside China's accumulation of power, this balancing act is seemingly ever more hazardous. Since this dilemma is produced through the interaction of UK policy with historical shifts in the global economy, it is therefore unlikely to dissipate spontaneously. But, will it escalate?

For Sinoscepticism to remake British politics, it will need to follow Euroscepticism from the fringes to the mainstream. Euroscepticism was at once both a technical question of supranational union membership and a fundamental question of what sort of country the UK should be. Triggered through a series of mechanisms, which included the populist backlash, Euroscepticism eventually transformed British politics. Sinoscepticism also has the potential to remake British politics, as it relates to many of the key issues of British political development: its ties to the US, its economic openness, its ability to manage the green transition, among others. These issues, in turn, relate to the fundamental question of what country the UK should be and how it will incorporate into the newly emerging global order. Yet, the relationship with China is relatively low on the British political agenda. Let us conclude by discussing three medium-term scenarios that could change this.

The first is in higher education. In recent years there has been an extraordinary rise in students from China studying in UK universities, to the extent that many universities are now financially dependent on this income. The flow of these students is, therefore, a potential geoeconomic weapon to China. An insight into this potential came at Oxford University in 2019/20, where their vice-chancellor was asked by the Chinese embassy to prevent the university's chancellor, Lord Patten, from visiting Hong Kong. When she refused, the embassy threatened the withdrawal of Chinese students from Oxford as retaliation (a threat that was never realised, despite Patten completing his visit).⁴¹ Although there is no reason to expect it, if China decided to

³⁶S. Schindler, et al., 'The second cold war: US-China competition for centrality in infrastructure, digital, production, and finance networks', *Geopolitics*, 2023, pp. 1–38.

³⁷McCourt, 'Framing China's rise'.

³⁸Ibid.

³⁹Breslin and Burnham, 'International order transition', p. 423.

⁴⁰I. Hall, 'AUKUS and Australia-UK strategic reconvergence', *RUSI Journal*, vol. 167, nos. 6–7, 2022, pp. 34–42.

⁴¹C. Parton, 'China-UK relations. Where to draw the border between influence and interference?', *RUSI Occasional Paper*, February 2019; https://static.rusi.org/20190220_chinese_interference_parton_web.pdf, pg 17

withdraw students from the UK, it would seriously damage higher education and therefore the UK's research and development activities, possibly necessitating either the collapse of some universities or a costly state bailout. China could be blamed.

The second scenario relates to the green transition. A recent article by Ian Duncan Smith entitled 'Net zero and the threat from China' lays this out clearly.⁴² Duncan Smith argues that the backlash against London's Ultra Low Emissions Zone (ULEZ) policy shows how the British people are 'tired of being taken for granted suffering extra taxes and levies in the pursuit of arbitrary net zero deadlines'. The problem, he argues, is that the UK's net zero targets are costing people money, while the US can produce cheaper oil for its population. Then enters China. Since 'almost every battery in UK [electronic] vehicles is Chinese', the transition to net zero means not just competing with a rival but transacting with 'a country guilty of genocide and slave labour'. With resistance to net zero becoming an ever more popular position on the right wing of British politics, it is possible that this position could fuse with Sinoscepticism.

The third scenario relates to geopolitics. Although unstable and difficult to predict, one possibility involves Donald Trump's re-election as US president in 2024, with implications for the renewed US-China cold war. It seems that Trump could look to reconcile with China on the basis of two observations: first, that both the enthusiasm he had for Taiwan and the economic disputes with China have diminished; and second, his record as a transactional strategist suggests that he is far less likely than Biden to defend Taiwan.⁴³ If this happened, it would present an ideal moment for China to invade Taiwan. This scenario is realistic enough for the

UK recently to start rehearsing for the economic fallout from invasion.⁴⁴ Even with an isolationist Trump in office, the UK would likely face pressure to place strong sanctions on China if it invaded, thereby damaging British financial and business interests. An invasion would seriously damage supply chains and global trade, thereby putting further economic pressure on the UK. This would present Sinosceptics with an opportunity to further their cause.

In the absence of such triggers, China is likely to be more divisive for the Conservatives than it is for Labour. Although Labour is yet to develop an explicit or coherent China policy under Keir Starmer's leadership, most signals point to a soft Sinosceptic approach—Atlanticist commitments, dedication to the legal pursuit of human rights abuses, and vague ideas about delivering economic growth through industrial policy. The Conservatives, meanwhile, are increasingly divided and undisciplined after thirteen years in government and five prime ministers. While the party's eventual embrace of Brexit may suggest otherwise, it has traditionally been aligned with both business and the 'special relationship' with the US. Those dilemmas facing the UK, therefore, are likely to be felt strongly in the Conservative Party. Although Andrew Gamble's argument that 'the identity of the Conservative Party is inseparable from the history of this state' may not be as true as it once was, a Sinosceptic Conservative Party will likely shape the future of British politics, one way or another.⁴⁵

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⁴²I. Duncan Smith, 'Net zero and the threat from China', 6 August 2023; <https://www.iainduncansmith.org.uk/news/net-zero-and-threat-china>

⁴³'What the world should expect from a second Trump term', *Financial Times*, 26 September 2023; <https://www.ft.com/content/3b15d02c-9835-481d-8ee7-b1ebcebe23e6>; Leaders, 'Donald Trump poses the biggest danger to the world in 2024', *The Economist*, 16 November 2023; <https://www.economist.com/leaders/2023/11/16/donald-trump-poses-the-biggest-danger-to-the-world-in-2024>

⁴⁴A. Allegretti, 'UK rehearsing economic fallout scenarios if China invades Taiwan', *The Guardian*, 15 February 2023; <https://www.theguardian.com/world/2023/feb/15/uk-rehearsing-economic-fallout-scenarios-if-china-invades-taiwan>

⁴⁵A. Gamble, 'The crisis of conservatism', *New Left Review*, vol. 214, 1994, p. 4.